

Message Text

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ACTION AF-06

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TAGS:

SUBJECT: ZAIRE'S FINANCIAL SITUATION: CENTRAL BANK

FOREIGN EXCHANGE ALLOCATION PROGRAM

REF: STATE 034747

FOLLOWING IS FNCB ENGLISH LANGUAGE REDITION OF BASIC
NEW RESTRICTIONS AND EXCEPTIONS FOR IMPORTS INTO
ZAIRE. POST COMMENTS FOLLOW IN SEPTTEL.

A. IMPORTS

WITH THE EXCEPTION OF CERTAIN ITEMS COVERED BELOW UNDER "EXCEPTIONS"
THE BANQUE DU ZAIRE INSTRUCTIONS OF 29 JANUARY 1975 RESTRICT ALL
IMPORTS INTO ZAIRE AS FOLLOWS:

1. ALL IMPORTATIONS FALL INTO EITHER ONE OR THE OTHER OF THE FOLLOWIN
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TWO CATEGORIES:

A) UNDER LETTER OF CREDIT PAYABLE AT SIGHT AGAINST SHIPPING DOCUMENTS

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B) PAYABLE AT 180 DAYS WHETHER UNDER LETTER OF CREDIT OR OPEN ACCOUNT
,
WITHOUT INTEREST.

2. THE BANKS WILL BE LIMITED IN 1975 TO OPENING/NEGOTIATING SIGHT
L/C'S EQUAL TO NOT MORE THAN 10 PERCENT OF THE SIGHT L/C'S OPENED
NEGOTIATED IN 1974. IT IS NOT CLEAR IF THE LIMITATION APPLIES TO
OPENING OR TO NEGOTIATING.

3. ALL IMPORT LICENCES MUST BE APPROVED BY THE BANQUE DUE ZAIRE (FOR
ALL BUT "EXCEPTED" PRODUCTS).

4. TITLE II OF CIRCULAR 139-MODIFIED, IS FURTHER MODIFIED WITH THE
RESULT THAT NO PAYMENT MAY BE MADE FOR IMPORTS UNLESS THE DOCUMENTS
ARE ACCOMPANIED BY A CERTIFICATE FROM THE OFFICE ZAIROISE DE CONTROLE

(OZAC) TO THE EFFECT THAT:

A) AT 6 PERCENT REDUCTION HAS BEEN OBTAINED FROM THE OZAC'S MAXIMUM
PERMISSABLE PRICE IN THE CASE OF SIGHT PAYMENTS; OR,

B) THE IMPORTER HAS ARRANGED 180 DAYS INTEREST-FREE SUPPLIER CREDIT;
OR,

C) AN EXEMPTION FROM CIRCULAR 139, TITLE II, HAS BEEN OBTAINED
AND REMAINS IN FORCE.

5. AFTER AN IMPORT LICENCE HAS BEEN APPROVED BY THE BANQUE DU ZAIRE,
IT MAY BE VALIDATED BY THE BANKS IN STRICT COMPLIANCE WITH EITHER
THE CEILING ON SIGHT IMPORTS OR THE REQUIREMENT FOR 180 DAYS
INTEREST-FREE DELAY.

6. OBLIGATIONS CONTRACTED PRIOR TO THESE MEASURES FOR WHICH LICENCES
ARE IN FORCE WILL BE HONORED ACCORDINGLY, AND THE BANQUE DUE ZAIRE
WILL TAKE THE DISPOSITIONS NECESSARY TO PERMIT THEIR LIQUIDATION.

EXCEPTIONS

THE NEW REGIME FOR IMPORTS MAKES SOME SPECIFIC AND NOTEWORTHY EXCEPT-
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1. THREE CATEGORIES OF GOODS ARE EXEMPTED FROM BOTH THE CEILING ON
SIGHT L/C'S AND THE 180 DAY PAYMENT DELAY, AND ARE TREATED AS
FOLLOWS:

A) FOOD PRODUCTS: ITEMS APPEARING ON THE BZ'S ANNEXED LIST
MAY BE IMPORTED AT SIGHT UNDER L/C WITHOUT IMPAIRING THE
BANK'S UTILIZATION OF CEILING. THEY ARE ALSO EXEMPT FROM

CIRCULAR 139. LICENCES FOR THESE IMPORTS MAY BE VALIDATED BY THE BANKS WITHOUT THE PRIOR VISA OF THE BANQUE DUE ZAIRE.

B) PHARMACEUTICAL PRODUCTS: ARE ALSO EXEMPTED FROM CIRCULAR 139'S PROVISIONS. LIKE FOOD PRODUCTS, THEIR LICENCES MAY BE VALIDATED WITH CB VISA, AND SIGHT L/C'S MAY BE OPENED WITHOUT IMPAIRING THE CEILING.

C) "BIENS D'APPROVISIONNEMENT": THIS CATEGORY REQUIRES FURTHER CLARIFICATION; HOWEVER, IT APPARENTLY RELATES TO THE ANNEXED LIST OF RAW MATERIALS, SEMI-FINISHED GOODS, AND MISCELLANEOUS GOODS CONSIDERED ESSENTIAL TO ZAIRE'S INDUSTRIES. LICENCES FOR THESE GOODS MAY BE VALIDATED BY THE BANKS WITHOUT CENTRAL BANK VISA. IMPORTS AT SIGHT MAY BE EFFECTED WITHOUT CEILING IMPAIRMENT. HOWEVER, THESE GOODS ARE SUBJECTED TO THE OLD PROVISIONS OF CIRCULAR 139 REQUIRING:

- A 3 PERCENT DISCOUNT FOR SIGHT IMPORTS; OR,

- 90 DAYS INTEREST-FREE CREDIT.

THE COMPUTATION OF SIGHT L/C'S FOR 1974 FOR PURPOSES OF CEILING DETERMINATION IS TO EXCLUDE THOSE LETTERS OF CREDIT FOR WHICH COVERING EXCHANGE IS PROVIDED BY OUTSIDE SOURCES: CLIENT'S FUNDS, AID OR EXIM LOANS, ETC.

TO THE EXTENT THAT ANY FOOD, PHARMACEUTICAL, OR "BIENS D'APPROVISIONNEMENT" PRODUCTS IN THE PAST REQUIRED SPECIFIC CENTRAL BANK APPROVAL, THIS REQUIREMENT REMAINS IN FORCE.

B. INVISIBLES

1. TRANSFERS TO COVER EXPENSES OF PURCHASING OFFICES OR FOREIGN UNCLASSIFIED

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REPRESENTATION ARE SUSPENDED UNTIL FURTHER NOTICE.

2. ALL FOREIGN SERVICE CONTRACTS MUST RECEIVE THE PRIOR APPROVAL OF THE CENTRAL BANK BEFORE ANY APPLICATION FOR PAYMENT THEREUNDER WILL BE APPROVED.

3. TRANSFERS OF RENTAL REVENUES ARE SUSPENDED.

4. PROFIT AND DIVIDEND TRANSFERS ARE LIMITED TO YEAR-END PROFIT DISTRIBUTIONS WHICH MAY BE TRANSFERRED IN TWELVE MONTHLY INSTALLMENTS.

5. WHERE SUCH TRANSFERS ARE THE SUBJECT OF EXPRESS GUARANTEES UNDER THE INVESTMENT CODE, OR ARE RELATED TO BILATERAL INTER-GOVERNMENT AGREEMENTS, THE ABOVE RESTRICTIONS WILL NOT APPLY.

IT SHOULD BE NOTED THAT AS IN THE PAST APPLICATIONS FOR INVISIBLE
TRANSFERS ARE SUBJECT TO CENTRAL BANK APPROVAL.
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